

Late Backup



MEMORANDUM

TO: Mayor and City Council

FROM: Jim Robertson and Michael Knox, Co-Project Managers – Downtown Austin Plan

DATE: 6 October 2011

RE: Downtown Austin Plan

We would like to provide additional information regarding two issues that arose at the Council work session on October 4th.

1. On the topic of density bonuses and CURE, the Council sought additional information about the zoning cases in the last few years whereby projects were awarded additional height and/or density via CURE. Attached is a spreadsheet that provides information about several (but not all) of the CURE cases since the passage of the "interim" Downtown Density Bonus Program in 2008. With regard to each case, the spreadsheet provides the following information (where available):
 - Project name and location.
 - CURE Ordinance Number.
 - Base (previous) zoning.
 - Entitlements granted via CURE.
 - Community benefits provided by the project (where information available).
 - Built height and FAR.

In the coming weeks, we will provide Council with an expanded spreadsheet that provides (where the data is available) the same information on all CURE cases approved since the passage of the interim Downtown Density Bonus Program.

Two other requests for information came from the October 4th Council work session:

- Estimate of the affordable housing benefits that each CURE project might have provided if it had gone through the proposed Downtown Density Bonus Program instead of CURE.
- Estimate of the additional tax base (beyond the tax base that would have been generated if the project had been built using its base entitlement) that the project could or did produce via CURE.

We have not been able to assemble that information in the two days since the Council work session, but we will add that information to the updated spreadsheet that we will provide to Council.

2. Another set of questions concerned the City's policy of contributing a portion of the increased property tax revenue from redeveloped City land to affordable housing. Council Resolution No. 000907-72 directed the City Manager to dedicate to the Housing Trust Fund (HTF) 40% of all

incremental tax revenues derived from developments that were built on city-owned property located in the Desired Development Zone and that were not on the Travis Central Appraisal District property tax rolls on June 1, 1997. A number of Downtown parcels have contributed to the HTF in accordance with that directive, including:

- Blocks 2 and 4 (known as the CSC developments)
- Post West (now known as Gables West Avenue)
- Schneider Building (on Block 2)
- Block 21 (W Hotel)
- Block 22 (AMLI)

Attached is a spreadsheet ("Housing Trust Fund (HTF) History") that shows the contributions from each of these parcels to the Housing Trust Fund.

cc: Marc A. Ott, City Manager
Sue Edwards, Assistant City Manager
Greg Guernsey, Director, Planning and Development Review Department
George Adams, Assistant Director, Planning and Development Review Department

Summary of Recent CURE Rezoning in Downtown

| Case Number | Project Name | Address | Rezoning from | Rezoning to | Community Benefits Offered by Applicant | Area in square feet | Approved FAR | Difference in FAR with additional entitlements from base district | Difference in square footage allowed | |
|-------------|---------------|--------------------------------------|-------------------------------|-------------|---|--|----------------|---|--------------------------------------|-------------------|
| 1 | C14-2008-0038 | 1705 and 1715 Guadalupe Street | 1705 and 1715 Guadalupe St | DMU | DMU-CURE | Great Streets improvements at owner's expense; All residential development shall comply with Austin Energy Green Building Program - 2 Star rating. If a building is constructed to a height that exceeds 170 feet, then 20 percent of the gross floor area shall be allocated for residential uses | 28,401 sq. ft. | 12.5 to 1 | 7.5 | 213,007.5 sq. ft. |
| 2 | C14-2008-0143 | The Project at 6th and Congress | 121 E. 6 th Street | CBD-CURE | CBD-CURE | Great Streets improvements at owner's expense | 44,157 sq. ft. | 20 to 1 | 12 | 529,884 sq. ft. |
| 3 | C14-2008-0144 | The Project at 6th and Congress West | 501 Congress Avenue | CBD-CURE | CBD-CURE | Great Streets improvements at owner's expense | 22,081 sq. ft. | 20 to 1 | 12 | 264,972 sq. ft. |
| 4 | C14-2008-0159 | 3rd and Colorado Hotel | 311 Colorado St. | CBD | CBD-CURE | Great Streets improvements at owner's expense if property develops with a hotel-motel use exceeding an FAR of 8:1; All development to be built to LEED Silver Level | 29,442 sq. ft. | 12 to 1 | 4 | 117,768 sq. ft. |
| 5 | C14-2009-0079 | Austin Hotel Holdings LLC | 201 W. 5th St. | CBD | CBD-CURE | Great Streets improvements at owner's expense if property develops with a hotel-motel use exceeding an FAR of 8:1; All development to be built to LEED Silver Level | 23,553 sq. ft. | 12 to 1 | 4 | 94,212 sq. ft. |
| 6 | C14-2009-0091 | 3rd and San Jacinto Quarter Block | 213 E. 3rd St. | CBD | CBD-CURE | Great Streets improvements at owner's expense | 17,694 sq. ft. | 12 to 1 | 4 | 70,776 sq. ft. |

Housing Trust Fund (HTF) History

The Fiscal Year (FY) indicates when the property taxes were collected. The 40% transfer for each year occurs in the following fiscal year.

| List of Sites (Parcels) | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|--|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| CSC Block 2 - Parcel #02050105060003 | \$ 64,818 | \$ 128,164 | \$ 78,932 | \$ 57,271 | \$ 87,721 | \$ 139,415 | \$ 163,122 | \$ 163,897 | \$ 171,945 | \$ 174,385 |
| CSC Block 2 - Parcel #02050105060000 | \$ 27,582 | \$ 36,282 | \$ 31,889 | \$ 28,667 | \$ 28,667 | \$ 29,666 | \$ 29,005 | \$ 28,846 | \$ 33,780 | \$ 45,023 |
| CSC Block 4 - Parcel #02050107070001 | \$ 28,042 | \$ 131,934 | \$ 95,002 | \$ 71,553 | \$ 99,151 | \$ 144,712 | \$ 166,610 | \$ 167,383 | \$ 175,602 | \$ 182,914 |
| CSC Block 4 - Parcel #02050107070000 | \$ 27,582 | \$ 34,668 | \$ 37,164 | \$ 33,409 | \$ 33,409 | \$ 34,573 | \$ 33,802 | \$ 33,618 | \$ 35,269 | \$ 47,007 |
| Subtotal CSC | \$ 148,024 | \$ 331,048 | \$ 242,987 | \$ 190,900 | \$ 248,948 | \$ 348,365 | \$ 392,539 | \$ 393,744 | \$ 416,596 | \$ 449,329 |
| TIF Reduction * | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| Total CSC Available Payment | \$ 48,024 | \$ 231,048 | \$ 142,987 | \$ 90,900 | \$ 148,948 | \$ 248,365 | \$ 292,539 | \$ 293,744 | \$ 316,596 | \$ 349,329 |
| Post West - Parcel #01070013050000 | \$ 25,674 | \$ 25,674 | \$ 27,523 | \$ 22,268 | \$ 22,268 | \$ 27,653 | \$ 27,036 | \$ 26,889 | \$ 28,209 | \$ 35,741 |
| Post West - Parcel #01070013050001 | \$ 68,605 | \$ 91,480 | \$ 116,168 | \$ 102,016 | \$ 102,016 | \$ 130,707 | \$ 133,985 | \$ 138,601 | \$ 117,524 | \$ 112,817 |
| Post West - Parcel #01070013110000 ** | \$ 19,652 | \$ 19,652 | \$ 19,466 | \$ 17,499 | \$ 17,499 | \$ 34,745 | \$ 46,072 | \$ 211,704 | N/A | N/A |
| Total Post West Payment | \$ 113,931 | \$ 136,807 | \$ 163,156 | \$ 141,782 | \$ 141,782 | \$ 193,104 | \$ 207,093 | \$ 377,194 | \$ 145,733 | \$ 148,558 |
| Schneider Bldg. - Parcel #02050105090000 | \$ - | \$ 3,059 | \$ 1,115 | \$ 1,002 | \$ 1,002 | \$ 1,051 | \$ 1,027 | \$ 1,022 | \$ 1,559 | \$ 1,693 |
| Total Schneider Bldg. Payment | \$ - | \$ 3,059 | \$ 1,115 | \$ 1,002 | \$ 1,002 | \$ 1,051 | \$ 1,027 | \$ 1,022 | \$ 1,559 | \$ 1,693 |
| Block 21 - Parcel #02050102020000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 679 | \$ 14,251 | \$ 14,174 | \$ 14,870 | \$ 29,067 |
| Block 21 - Parcel #02050102010000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 679 | \$ 14,251 | \$ 14,174 | \$ 27,497 | \$ 370,978 |
| Total Block 21 Payment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,358 | \$ 28,502 | \$ 28,348 | \$ 42,367 | \$ 400,045 |
| AMLI Block 22 - Parcel #02050101010000 | | | | | | | | | | |
| 30% of Total Taxes*** | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,605 | \$ 8,558 | \$ 8,979 | \$ 9,751 |
| Total AMLI Block 22 Payment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,605 | \$ 8,558 | \$ 8,979 | \$ 9,751 |
| 3rd and Lamar - Parcel #01070012150000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,512 | \$ 2,809 | \$ 2,947 | \$ 3,201 |
| Total 3rd. and Lamar Payment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,512 | \$ 2,809 | \$ 2,947 | \$ 3,201 |
| TOTAL TAX PAYMENTS MADE | \$ 161,955 | \$ 370,914 | \$ 307,258 | \$ 233,684 | \$ 291,732 | \$ 443,878 | \$ 539,278 | \$ 711,675 | \$ 518,181 | \$ 912,577 |
| 40% TRANSFER | \$0 | \$64,782 | \$148,366 | \$122,903 | \$93,474 | \$116,693 | \$177,551 | \$215,711 | \$284,670 | \$207,272 |
| ADJUSTMENTS | \$0 | \$0 | (\$18) | (\$6,225) | (\$3,642) | \$0 | (\$32) | \$0 | \$0 | \$0 |
| TOTALS | \$0 | \$64,782 | \$148,348 | \$116,678 | \$89,832 | \$116,693 | \$177,519 | \$215,711 | \$284,670 | \$207,272 |
| ACTUAL TRANSFER | \$100,000 | \$100,000 | \$0 | \$139,051 | \$90,474 | \$116,693 | \$177,280 | \$202,624 | \$281,247 | \$350,248 |
| DIFFERENCE | \$100,000 | \$35,218 | (\$148,348) | \$22,373 | \$642 | \$0 | (\$239) | (\$13,087) | (\$3,423) | \$142,976 |

* The TIF (Tax-Increment Financing) Reduction is \$100,000 annually for maintaining the plazas, streetscapes and other public improvements constructed within the Reinvestment Zone

** An audit of properties in 2010 determined Post West - Parcel #01070013110000 should not have been included in this calculation.

*** AMLI Block 22 - the 40% transfer only applies to 30% of total taxes of this parcel as the City only owned approximately 30% of the land at the time of the HTF Ordinance

| Amendment to the Austin Tomorrow Comprehensive Plan | | | |
|--|--|---|-----------------------------|
| Motion # | Action | Planning Commission Recommendation | Staff Recommendation |
| 1 | Adopt the Downtown Austin Plan, including the staff-recommended amendments, as an amendment to the Austin Tomorrow Plan. | To approve staff's recommendation to endorse the Downtown Austin Plan with proposed modifications made by Staff, recommending to City Council that the Downtown Austin Plan be adopted as an amendment to the Austin Tomorrow Plan; recommending to City Council that City Staff be directed to implement the Downtown Austin Plan consistent with the recommendations in the Plan. Please see Exhibit F "Staff Recommended Changes." | Recommended |
| 2 | Direct the City Manager to initiate the code amendments as recommended in the Plan, including but not limited to: 1) Regulating Plan that implements Downtown-specific development standards; 2) Creation of new zoning districts; 3) Downtown Density Bonus Program; 4) Downtown-specific compatibility framework | Recommended | Recommended |
| 3 | Direct the City Manager to initiate the re-zonings as recommended in the Plan. | Recommended | Recommended |
| 4 | Direct the City Manager to include implementation projects identified in the Downtown Austin Plan as part of the City's comprehensive capital project needs assessment and prioritization and identify possible funding strategies for these elements of the Plan; and | Recommended | Recommended |
| 5 | Direct the City Manager to develop a detailed plan, including the steps and schedule, for creating a Central City Economic Development Corporation and present that plan to City Council for consideration and possible action | Recommended | Recommended |
| For alternative Consideration: | | | |
| 6 | Adopt the Downtown Austin Plan, including the staff-recommended amendments, as an amendment to the Austin Tomorrow Plan except for the plan as it applies to the Northwest District. | N/A | N/A |
| 7 | Adopt the Downtown Austin Plan, including the staff-recommended amendments, as an amendment to the Austin Tomorrow Plan as it applies to the Northwest District. | N/A | N/A |